

THE SCHOOL ADMINISTRATOR

and Uniform Compliance Guidelines ISSUED BY STATE BOARD OF ACCOUNTS

Volume 154

June 2001

ITEMS TO REMEMBER

JUNE

June 1: Prove the Fund Ledger and Ledger of Receipts for the month of May to the control of all funds and reconcile the control with the depository statement. Prove all receipt accounts for each fund to total receipts for that fund. Prove the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances to the total disbursements of the control account of the Fund Ledger. Prove all expenditure accounts within each program to the total disbursements of that program.

June 20: Payment for school aid bonds and coupons coming due in July must be made to civil townships by reorganized school corporations where the reorganized plan provides for such payments or where the board of school trustees has provided for such payments by resolution. (IC 20-4-1-35; IC 20-4-1-38)

Last day to report and make payment of state and county income tax withheld during May to the Department of Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 140, December 1997, of "The School Administrator and Uniform Compliance Guidelines.")

June 30: Close out all payroll deduction clearing accounts. Balance and close the Fund Ledger and Ledger of Receipts for the school year and reconcile with depositories. Total the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances (January 1 to June 30). Close the ledger for the school year and prove to the Fund Ledger.

School board members taking office in July, file certified copy of oath in the circuit court clerk's office of the county containing the greatest percentage of population of the school corporation. (IC 5-4-1-4)

JULY

July 1: Open a Fund Ledger and Ledger of Receipts for the next school year by entering the balance of each fund as determined and proved for June 30. Open a Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances for the next school year by entering in each program account the balance of unexpended appropriations, and by entering in each expenditure account within each program, the balance of the unexpended allotment.

July 4: Independence Day - Legal Holiday. (IC 1-1-9-1)

July 20: Last day to report and make payment of state and county income tax withheld during June to Department of Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 140, December 1997, "The School Administrator and Uniform Compliance Guidelines.")

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July 31: Last day to file Federal Quarterly Report, Form 941, with the Internal Revenue Service for federal and social security taxes for the second quarter.

AUGUST

Aug 1: Prove all ledgers for the month ending July 31 as outlined for the month of June.

Aug 15: Not earlier than August 1 or later than August 15 the secretary of the board of school trustees is to publish an annual financial report, one time in accordance with IC 5-3-1-1 et seq.

Aug 20: Last day to report and make payment of state and county income tax withheld during July to Department of State Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 140, December 1997, "The School Administrator and Uniform Compliance Guidelines.")

Aug 31: Last date for the first publication of budgets (10 days prior to the public hearing). (IC 6-1.1-17-3)

NOTE: See the September "The School Administrator and Uniform Compliance Guidelines" for budget dates or call the State Board of Tax Commissioners at 317-232-3773.

Prior to September 1 of each year, the superintendent of each school corporation shall cause to be made to the Office of the State Fire Marshal an inspection report of all heating systems and supporting fuel lines used for school purposes. (IC 20-5-43-2)

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SCHOOL LUNCH PROGRAM

Although the preferred method of accounting for a school food and nutrition program is through a School Lunch Fund (School Food Service Fund) in the school corporation account, authority is provided to account for the program in an extra-curricular account or accounts. (IC 20-5-6-4(2)) Accounting for school lunch in the extra-curricular account is with the provision that, "... the governing body of the school corporation shall approve the amount of the bond of the treasurer of the extracurricular account in an amount deemed by it sufficient to protect the account for all funds coming into the hands of the treasurer of such account." (IC 20-5-6-6(2))

A School Lunch Fund shall be maintained for either method. The ledger maintained (school corporation or extra-curricular) is determined by which method the school board elects to use.

An accounting system and the necessary forms for maintenance are prescribed by the State Board of Accounts. Maintaining forms properly for your program should provide the information necessary to prepare monthly federal reimbursement claims, quarterly financial reports, etc.

Effective internal controls of cash receipts and meals served are built into the system by using one of several methods. The methods are the use of properly maintained and approved class rosters, prenumbered meal tickets, and cash registers. Computerized cash systems could be used after submission and review by the State Board of Accounts. All cash register systems must be equipped with identification keys to indicate: (1) paid student meals; (2) reduced price student meals; (3) free student meals; (4) adult meals; (5) a la carte sales and other categories the school corporation may wish to identify and as required by the accounting system. The register must have locked-in audit tapes and non-resettable totals for each category. If any type of cash register system is used, the cashier is accountable for the cash registered on that machine when totaled and checked out.

If meal tickets are used, the tickets are issued to each ticket seller in prenumbered blocks. Each ticket seller is charged with the value of the tickets issued and must either turn in money or unused tickets to discharge his liability. A receipt must be issued to each ticket seller for the money deposited with the Treasurer. If a daily ticket is used, it is collected at the serving line; however, if the ticket is for multiple days, it is punched at the serving line as that day's meal is served.

All methods to account for the cafeteria operation require that the person responsible for collecting and reporting the money received for meals be different from the person responsible for counting and reporting the number of meals served. Under no circumstances should all duties be vested in the treasurer or any other single individual.

The Certification of Meals Provided Per Home Rule, Form SF-1, is a daily record of meals provided free (or at less than normal price) in accordance with written school board policy other than the students who qualify for free or reduced price meals or milk as documented on School Forms 521 or 522. The total number provided as documented on SF-1 is carried forward to the appropriate column on SF-2A.

School Food Form SF-2, Daily Record of Cash Received, categorizes cash receipts on a daily basis and should be totaled monthly.

School Food Form SF-2A, Daily Record of Meals/Milk Served, records daily the number of meals/milk served and should be totaled monthly and will be a source of information for preparation of the monthly claim for federal reimbursement.

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School Food Form SF-3, Cash Disbursements and Fund Balance, is used to record on a daily basis the disbursements of the School Food Service Program and together with the SF-2 acts as the source information for the calculation of the fund balance as shown on the SF-3. The disbursement categories Service Area Direction and Food Preparation and Dispensing are defined as:

Service Area Direction. Activities pertaining to directing and managing the food service program for the school corporation.

Food Preparation and Dispensing. Activities concerned with preparing and serving the food and beverages associated with the food service program which includes operating kitchen equipment, preparing food, cooking, serving food, cleaning and storing dishes and kitchen and lunch room equipment.

Form SF-4, Ledger of Receipts, Disbursements and Balances is the form on which the monthly totals of forms SF-2 and SF-3 are accumulated and posted. Form SF-4 provides a composite annual accounting for the overall school food service program of the school corporation.

Form SF-5, Ticket Control, shall be used only in those systems using the meal ticket method of control. Persons charged with selling tickets are responsible for the value of the tickets issued to them.

Form SF-6, Equipment Inventory, shall be used to take a complete physical inventory in each school of all equipment on hand at the close of each school year. A copy of this annual inventory shall be kept on file in the office with the school food service records.

Form SF-7, Food Inventory, is designed for use in taking a complete physical inventory in each school of all food items each month. Separate sheets shall be used for each category inventoried; such as USDA donated commodities, meat, fruit, vegetables, staples, frozen foods, etc.

Forms SF-1, SF-2, SF-2A, and SF-3 shall be maintained on a daily basis and totaled monthly. The monthly totals are a source of information for preparation of the claim for federal reimbursement, the quarterly financial report, etc. If a separate accounting of the receipts or disbursements from each school in the corporation is desired, separate forms may be maintained for each school.

SCHOOL FOOD SYSTEMS - PREPAID FOOD

Subsidiary records by student should be routinely reconciled to the cash balance and at month end. The School Food Prescribed Forms and any approved computerized Forms will be required to be maintained in the following manner to accurately account for prepaid items.

A column titled "Prepaid Food" is added to the Daily Record of Cash Received, Form SF-2, for recording prepaid amounts received which have not been identified as to revenue type, i.e., lunch, breakfast, etc. Amounts will be entered both in "Prepaid Food" and "Total Cash Received" for each day because cash has been received.

Another column "Prepaid Food Applied" is also added to Form SF-2, which will show periodic (and monthly) activity whenever prepaid meals are identified (charged to breakfast, lunch, etc.). Amounts in "Prepaid Food Applied" should at all times equal for each day, the amounts charged to various categories, i.e., student lunch, adult breakfast, etc. that are not paid for in cash. Amounts will not be added to "Total Cash Received" because cash has been previously entered and recognized in "Prepaid Food". You are merely transferring "Prepaid Food" to the applicable categories.

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The final column added to SF-2 is "Prepaid Food Trust", which is the running balance column which shows the difference between "Prepaid Food" and "Prepaid Food Applied". The amounts in "Prepaid Food Trust" are deducted from the "Balance" column in SF-3 Form, School Food Service Cash Disbursements which then should equal the amount in the new SF-3 Column "Available Cash Balance". Amounts are not entered in "Total Cash Received" because "Prepaid Food Trust" is merely a balance column. Computerized systems should provide a list, by student, of cash balances which should sum to the "Prepaid Food Trust".

The Ledger of Receipts, Disbursement and Balances, SF-4 Form should also show appropriate columns for those transactions.